

(d) The borrower shall have the hardware and software available to locate, identify, and reproduce the records in readable form without loss of clarity.

(e) At the expiration of the retention period, the borrower may use any appropriate method to destroy records.

(f) When any records are lost or destroyed before the expiration of the retention period set forth in the master index, a certified statement shall be added to the master index listing, as far as may be determined, the records lost or destroyed and describing the circumstances of the premature loss or destruction.

§ 1770.5 Periods of retention.

(a) Except as provided for in paragraphs (b), (c), and (d) of this section, record retention shall be consistent with Prudent Utility Practice. Prudent Utility Practice shall mean any of the practices, methods, and acts which, in the exercise of reasonable judgment, in light of the facts, including but not limited to, the practices, methods, and acts engaged in or approved by a significant portion of the telecommunications industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result consistent with cost effectiveness, reliability, safety, and expeditiousness. It is recognized that Prudent Utility Practice is not intended to be limited to optimum practice, method, or act to the exclusion of all others, but rather is a spectrum of possible practices, methods, or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with cost effectiveness, reliability, safety, and expedition.

(b) Records supporting construction financed by RUS shall be retained until audited and approved by RUS.

(c) Records related to plant in service must be retained until the facilities are permanently removed from utility service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by RUS or other regulatory body having jurisdiction.

(d) Life and mortality study data for depreciation purposes must be retained for 25 years or for 10 years after plant is retired whichever is longer.

§§ 1770.6—1770.9 [Reserved]

Subpart B—Uniform System of Accounts

§ 1770.10 General.

This subpart implements provisions of the standard RUS loan documents with respect to the accounting system accounts to be maintained by telecommunications borrowers of the Rural Utilities Service.

§ 1770.11 Accounting system requirements.

(a) Each RUS borrower subject to the jurisdiction of the Federal Communications Commission (FCC) or a State regulatory body shall maintain its accounts and records in accordance with the rules and regulations prescribed by that regulatory body.

(b) Each RUS borrower not subject to regulatory control as specified in § 1770.11(a) shall maintain its accounts and records in accordance with the FCC Uniform System of Accounts as set forth in part 32 of the Commission's Rules and Regulations.

(1) RUS borrowers maintaining the accounts prescribed in 47 CFR part 32 for Class A companies as of June 15, 2005, shall continue to do so. RUS suspends implementation of the reduced number of Class A and B accounts, until the Federal-State Joint Conference has reviewed them.

(2) New borrowers under the RUS telecommunications program shall maintain the accounts prescribed in 47 CFR part 32 for Class A companies.

(3) RUS borrowers maintaining the accounts prescribed for Class B companies may adopt the Class A accounts if they desire more detailed and sophisticated accounting records.

[55 FR 3388, Feb. 1, 1990, as amended at 70 FR 25756, May 16, 2005]

§ 1770.12 Supplementary accounts.

(a) All borrowers shall maintain the supplementary accounts set forth in § 1770.15. These accounts conform in